VOL 10 No 2 FEBRUARY 1980

SURVEY of Current Affairs

Government and Administration

Rhodesia 43

Report on Non-Departmental Public Bodies 48

External Affairs and Defence

Afghanistan and East-West Relations 50

Shorter Note 55

Chile

Economic and Scientific Affairs

Housing Bill 56

Tenants' Rights, Etc. (Scotland) Bill 58

Prestel 59

Shorter Notes 60

Report on the Engineering Profession; Effects of Taxes and Benefits on Household Income 1978; Foreign Leasing

Documentation

63

Published for British Information Services by
Her Majesty's Stationery Office, London
Annual subscription including postage and index £14.22

The *Survey of Current Affairs* is produced for British Information Services overseas, but in response to requests has also been made available in Britain. Subscription and distribution inquiries should be addressed to Her Majesty's Stationery Office, P.O. Box 569, London SE1 9NH, and editorial inquiries to Reference Division, Central Office of Information, Hercules Road, Westminster Bridge Road, London SE1 7DU. Although the material is Crown Copyright, it may be reproduced without special permission.
Other documents produced by Reference Division if not on sale through Her Majesty's Stationery Office, may be obtained direct from Reference Division on payment of a small charge.

GOVERNMENT AND ADMINISTRATION

Rhodesia

As Rhodesia moves towards elections during February to choose the government that will take it to independence, Britain's permanent representative at the United Nations, Sir Anthony Parsons, described on 30 January the substantial improvements which had taken place in the country since it returned to legality in December 1979. In his speech to the Security Council, Sir Anthony also strongly rejected allegations that the British Government was failing to implement impartially the Lancaster House Agreement on Rhodesia.

The Lancaster House Constitutional Conference on Southern Rhodesia (see pp 364-70, 1979) ended on 21 December 1979, the details of the implementation of the cease-fire agreement, the last matter before the conference, having been finally settled two days previously. The cease-fire came into effect on 28 December.

SECURITY COUNCIL DEBATE

The debate in the Security Council followed a letter to the President of the Council by the Malawian Chairman of the African group at the United Nations. This spoke of 'the deteriorating situation in Southern Rhodesia' and specified a number of complaints concerning Britain's administration of the country since Rhodesia had returned to legality.

British Views

Addressing the Council on 30 January, Sir Anthony Parsons denied that there was a 'deteriorating situation in Southern Rhodesia'. Anyone who compared the situation now with that of five weeks previously, Sir Anthony said, had to conclude not only that there had been no deterioration but that the situation had improved to a degree that was truly remarkable. Five weeks before, Rhodesia was being racked by a full-scale civil war which had been raging for over seven years with appalling loss of life, misery and destruction. Tens of thousands of Rhodesian civilians were refugees in neighbouring countries, the political and military leaders of the Patriotic Front were in exile, and the regime in Salisbury was recognised by no other government. Sanctions were in force, as they had been for 13 years, and the country was virtually cut off from the outside world. Since then, however, there had been quite extraordinary changes for the better. Mr Robert Mugabe and Mr Joshua Nkomo had returned to Rhodesia; and their statements and those of Bishop Abel Muzorewa and other political leaders, together with the peaceful way in which their huge crowds of supporters had conducted themselves at political rallies, could leave no one in any doubt that all were committed to a full-scale election campaign.

Return to Normality

While there were continuing problems, mainly on law and order and including serious breaches of the Lancaster House Agreement, Sir Anthony pointed out that everywhere in Rhodesia there was evidence of a return to normal life. Major road links had been reopened with Mozambique via Umtali and with Zambia via Chirundu. The rail link with Zambia was open, and work was going ahead to open other rail and road links with Mozambique. Five national airlines now operated scheduled air services into Rhodesia, three of them from black Africa. Over 4,000 refugees had so far returned from Botswana, and planning was at an advanced stage for receiving those returning from Zambia and Mozambique (see p 48). The overall human rights picture had also improved remarkably. All 81 detainees held under orders of the previous regime, commonly referred to as political prisoners, had been released. The cases of other detainees, including all those held under martial law, were being reviewed and many were being released. An amnesty had been granted for all acts in furtherance of, or resistance to, the illegal declaration of independence. Martial law courts had been suspended and sentences of execution had been commuted.

Turning to the implementation of the cease-fire Sir Anthony said that almost 22,000 of the Patriotic Front forces had presented themselves at the assembly points, and pointed out that the combined efforts of their commanders, the monitoring force and the police had enabled large numbers to do so after the completion of the assembly period on 4 January. As problems arose, the Governor was continuing to deal with them through the machinery established in the Lancaster House Agreement. This machinery, the Cease-fire Commission and the Election Council, was functioning effectively with the full participation of representatives of the Patriotic Front. Patriotic

Front liaison officers had also played a major role in securing compliance with the cease-fire and in dealing with related difficulties. Co-operation and liaison was continuing at all levels between the Patriotic Front commanders, the police and the monitoring force over the security of the assembly places.

With regard to electoral preparations, Sir Anthony said that all the political parties had been allocated equal free time on Rhodesian radio and television for party political broadcasts during the election campaign. In addition, all of them were free, within a given ceiling, to purchase time on radio and television at normal rates for political broadcasts and announcements and to place advertisements in the press. Furthermore, the Governor had lifted prohibitions on three newspapers which formerly were banned. The team of Commonwealth election observers, set up in accordance with the Lancaster House Agreement, had also arrived in Salisbury.

All this had been achieved in a few weeks in a country which had been brought to chaotic dislocation by years of civil war; and in an atmosphere in which it was inevitable that deep fears and suspicions would continue to exist on all sides. It had been much more rapid and encouraging than anyone could possibly have hoped.

Criticisms Rejected

Turning to the specific criticisms of Britain's implementation of the Lancaster House Agreement, Sir Anthony said that, while there had been serious breaches of the agreement, they had not been committed by the British Government. The complaints had come from all parties to the agreement and had been fully and properly investigated by the Cease-fire and Electoral Commissions which were operating satisfactorily and with the co-operation of all concerned. It was these bodies, functioning on the ground in Rhodesia, which were best qualified to weigh the various relevant complex factors, to sift the evidence and propose the appropriate remedial action.

South African Troops

Informing the Council that the South African presence at the Rhodesian end of Beit bridge had been withdrawn that day, Sir Anthony said that the presence should be put into perspective. It had involved a small number of troops to protect a vital life-line. They had been deployed in the immediate vicinity of the bridge; there had been no question of their intervening in the internal affairs of Rhodesia; and it was inconceivable that this small detachment could in any way have affected the course of the elections. Their activities had also been strictly observed by the monitoring teams. However, alive to the sensibilities of African governments, the British Government had always made clear that the Governor would keep the position under review, and in late January it and the South African Government had decided to withdraw the troops from the Rhodesian side of the bridge as soon as satisfactory substitute arrangements could be made by the Rhodesian security forces.

It should be realised more widely, Sir Anthony continued, that the British Government and the Governor had a difficult task to allay the very different fears and anxieties of all the parties involved. It was not only the Patriotic Front and the African nations whose concerns had to be met but also, if the settlement were to work, those of the internal parties and the white minority. Bishop Muzorewa had given up the office to which he had been appointed as a result of elections which, however imperfect, had reflected the views of over 60 per cent of the population. Similarly, the white minority had given up its blocking powers in Parliament so that a constitution could be agreed which provided at long last for genuine majority rule. These were very major concessions, and it was in this context that the original decision to allow the presence of a small South African force at Beit bridge should be viewed.

The Deployment of Auxiliary Forces

As agreed at Lancaster House, Sir Anthony explained, the auxiliary forces were part of the Rhodesian forces and as such were deployed in accordance with that agreement to help the police to contain breaches of the cease-fire. In this role they were being monitored. Various blanket allegations of intimidation by the auxiliaries had been investigated and found to be unproven. Sir Anthony reminded the Council that the report of the Pearce Commission of 1972,[1] which had been widely accepted, had made clear how very difficult it was to assess charges of this kind and to determine whether the degree of intimidation involved inhibited a free electoral choice. The monitoring force had brought one breach of the cease-fire agreement by the auxiliaries to the Cease-fire Commission together with two cases of alleged intimidation which were being pursued by the police. Other specific complaints had been thoroughly investigated and dealt with through the Election Council.

In many important ways, Sir Anthony explained, the activities of the auxiliaries were increasingly related to the re-establishment of civilian administration in the Tribal Trust lands where they were engaged in attempts to promote the return to normal life by the inhabitants. They were not there to conduct any form of political campaign. Sir Anthony did not deny that there might have been lapses, but he assured the Council that their activities were being closely scrutinised and that reports of indiscipline and political partiality were being thoroughly investigated and offenders disciplined. If any delegation wished to make allegations against the auxiliaries then they should support them with detailed facts. There had been enough blanket accusations which had turned out to be of no substance.

The State of Emergency

The Governor's renewal of the state of emergency on 18 January, Sir Anthony said, had been taken because the level of lawlessness and violence in

[1]The Pearce Commission was set up in 1972 to ascertain whether 'the people of Rhodesia as a whole' accepted proposals agreed between the British Government and the Smith regime for a settlement of the constitutional dispute between them (see pp 237-42, 1972).

Rhodesia as a whole had 'led inexorably to the conclusion that a state of emergency [did] in fact still exist'. The emergency power regulations, however, were not uniformly restrictive, some of them being essential for the holding of elections. They had also been used to requisition premises as refugee reception centres and to facilitate the transport of Patriotic Front forces to assembly places. There were some provisions which were held by some observers to be objectionable, especially those relating to restriction and detention without trial, but revocation orders had been signed before the renewal of the state of emergency in respect of all remaining detainees held by ministerial order under the emergency powers regulations. By then all the 60-day detention orders which had been in force at the time of the Governor's arrival in Salisbury had lapsed. The Governor's administration was also applying itself to the task of reducing as far as possible unnecessary restrictions imposed by the emergency powers regulations, and would go on revoking such restrictive regulations as were no longer justified by circumstances.

Martial Law

The Lancaster House Agreement, Sir Anthony said, provided that in the event of an effective cease-fire the necessity for martial law would disappear. The Governor was committed to lift martial law as soon as the situation permitted, but had been obliged to continue it over a large area of Rhodesia in response to the security situation. Every day there were incidents of armed robbery, murder and the theft of cattle by armed men on a scale which was well beyond what was normal in a peaceful society; contacts continued on a disturbing scale between the police and armed individuals or groups, in particular from those guerrilla forces which had refused to comply with the cease-fire agreements and with the order of their commanders to assemble; and there had been several cases of political violence. In these circumstances it would have been irresponsible for the Governor to take steps which might have increased the risks to which the peaceful and law-abiding majority of the people were exposed by a lawless and violent minority.

Nevertheless the situation had improved since the cease-fire agreement, and the Governor had proceeded progressively to relax restrictive measures where it was safe to do so. This process of relaxation would continue to the full extent justified by improvements in the security situation. Despite the continuing problems, Sir Anthony reaffirmed that there had been an astonishing improvement in the overall situation since the resumption of legality. It would have been too much to expect a return to perfect peace within a few weeks of the end of the civil war.

Political Prisoners

There were now no political prisoners still in detention in Rhodesia, Sir Anthony stated, the last one having been released on 17 January. It had taken rather longer, however, to procure the release of the 71 members of the Zimbabwe African National Union (ZANU) imprisoned in Mozambique by Mr Mugabe. (After representations by Britain, these were released on 28 January.)

Return of Refugees

Rejecting the allegation that Britain was denying 'the fundamental right of return to all Zimbabwe refugees', Sir Anthony repeated that some 4,000 refugees had already returned from Botswana, and that it was hoped to set a date very soon for the return of refugees from Zambia and Mozambique (see p 48). Repatriation had not gone as smoothly as Britain had hoped. It was in no-one's interest to repatriate refugees faster than they could be absorbed and there had been difficulties and occasional misunderstandings. In addition, the continued violations of the cease-fire, particularly in the eastern part of the country, had made it very difficult to ensure the prompt repatriation of refugees from Mozambique. Britain, however, was committed to doing everything it could to ensure that as many voters as possible would return by the election date.

Equal Treatment

Sir Anthony described as 'vaguely worded' the allegation that the Governor had refused to accord equal treatment to Patriotic Front forces and that the Front's officials and supporters were being harassed. The Governor had been accused of bias on all sides, and this, Sir Anthony suggested, was evidence of his impartiality.

In this context, Sir Anthony pointed out that the overwhelming majority of the cease-fire violations since 28 December involving shooting or the threat of shooting had been attributed to the Patriotic Front, and of these 85 per cent had involved Mr Mugabe's Zimbabwe African National Liberation Army (ZANLA). In doing so, he stressed that the ZANLA representatives had been present at all the Cease-fire Commission meetings and had accepted all its findings. In addition, between 28 December and 4 January, some 3,000 to 4,000 ZANLA troops had crossed into Rhodesia from Mozambique in direct violation of the Lancaster House Agreement, while ZANLA personnel had confirmed that a significant proportion of ZANLA forces had been instructed to remain outside the assembly places in order to exert pressure on the population to vote for ZANU (PF). At public meetings there had been repeated statements from ZANLA representatives that the war would continue if ZANU (PF) did not win the elections, and there had been threats to shoot people who did not vote for ZANU (PF).

In pointing all this out, Sir Anthony said, Britain was not trying to discredit Mr Mugabe and his forces. It was important that both sides of the case should be put forward. The activities of ZANLA were of deep concern to all those who were determined that free elections should take place, and this included Mr Nkomo.

Conclusion

In conclusion Sir Anthony urged the Security Council not to initiate action which might imperil the Lancaster House Agreement, 'the last hope for a peaceful settlement in Rhodesia'. Calling upon the Council to put its trust in the British

Government, he said that Britain remained faithful to its commitment 'to do everything within its power to ensure that conditions are right for elections which are truly free and fair and which will lead to a peaceful and prosperous independence for Zimbabwe'.

The Resolution

Following intensive discussions among the Council members, in which the United States and France played leading roles and which resulted in the original draft resolution proposed by a number of African countries being withdrawn, a compromise resolution – No 463 (1980) – was adopted by the Security Council on 2 February by 14 votes to nil. Britain did not participate in the vote.

In the resolution, the Security Council called upon all parties to comply with the Lancaster House Agreement, and upon Britain to ensure its 'full and impartial implementation', both in 'letter and spirit'. Noting that the South African troops had been withdrawn from Beit bridge, it demanded that Britain should 'ensure the immediate, complete and unconditional withdrawal of any South African forces, regular or mercenary, from Southern Rhodesia'.[1] With regard to the electoral process, the Council said that Britain should take all measures necessary to ensure 'that eligible Zimbabwe nationals freely participate' in the elections. These included the speedy and unimpeded return of exiles and refugees; the release of all political prisoners; the strict compliance of all forces with the Lancaster House Agreement and the confinement of the Rhodesian and auxiliary forces to their bases; the according of equal treatment to all parties; and 'the rescinding of all emergency measures and regulations inconsistent with the conduct of free and fair elections'.

Explaining Britain's decision not to take part in the vote, Sir Anthony called the resolution 'unbalanced and selective', and said it would be clearly inappropriate for the British Government to associate itself 'with attempts to reinterpret in any way the agreement . . . reached with all the main parties in Rhodesia'. It would continue, however, to apply the terms of that agreement.

Explaining the vote of the United States, the US representative said his government believed that the Governor was 'trying to ensure that the process of transition will be fair to all participants'. The resolution did not in any way affect or interpret the provisions of the Lancaster House Agreement, but called upon 'the British and the parties to do those things which the British Government is already trying to do and which it could accomplish with greater certainty if only the parties would increase their co-operation'. The representative also doubted that Britain needed 'lectures on the conduct of free and fair elections from some who obviously have no experience with such elections'.

The Portuguese representative spoke of the Lancaster House Agreement as 'the only guiding instrument on the path to free and fair elections leading to the independence of Zimbabwe', and said that Portugal 'entirely trusts the British Government to continue applying the . . . agreement in an impartial way'. Similarly, the Norwegian representative said that Norway fully trusted Britain to spare no effort in successfully implementing the agreement, and in this task enjoyed its full support.

Remarking on the positive developments which had taken place as Rhodesia moved from war to the ballot box, the French representative described his delegation's feeling as one of hope. It should be recognised, he added, that Britain, the cradle of parliamentary democracy, had accepted its responsibilities and was leading Rhodesia towards democratic independence.

RECENT DEVELOPMENTS

Zimbabwe Act

The Zimbabwe Act 1979 which provides for the establishment of an independent republic of Zimbabwe became law on 20 December. (The Bill had had its second reading in the House of Commons on 12 December – *Hansard*, Vol 975, Nos 86 and 87, cols 1328-1484.) The Act deals with the nationality and citizenship questions involved in granting independence to Zimbabwe, and provides for the adaptation of British laws should Zimbabwe become a member of the Commonwealth. It also contains an amnesty under British law for certain acts committed in furtherance of the illegal declaration of independence and those committed in resistance to it. Explaining this, the Lord Privy Seal, Sir Ian Gilmour, said that there was a need for reconciliation not only between the parties in Rhodesia – which was the objective of the amnesty law subsequently promulgated by the Governor on 21 December – but also in Britain's relations with Rhodesia. With agreement on the issues which divided the two countries having at last been reached, he added, 'there will be no place for recrimination or retribution'.

This Act, together with the Southern Rhodesia Act 1979 (see p 364, 1979), provides the British Government with all the authority required to bring Rhodesia to independence by implementing the Lancaster House Agreement. Under the Southern Rhodesia Act 1979, an Order in Council providing for the Governor's appointment and the administration of Rhodesia until independence was approved in the House of Commons on 12 December (*Hansard*, Vol 975, No 87, cols 1485-91). Another Order, providing for the holding of free and fair elections and the appointment of a government to lead Rhodesia to independence, was approved by the House of Commons on 17 January (*Hansard*, Vol 976, No 98, cols 2007-2047).

[1] In another speech to the Council on 1 February Sir Anthony strongly denied allegations that there were thousands of South African troops in Rhodesia, and said that references to South African divisions, combat battalions and armour were equally unfounded. There were South Africans, probably some hundreds, in the Rhodesian forces, but there were other nationalities as well. There were also some hundreds of Mozambique troops with the ZANLA forces. At Lancaster House, he reminded the Council, Britain had made it clear that it could not be expected to conduct any sort of purge of the Rhodesian or of the Patriotic Front forces.

The Cease-fire

The agreement reached at Lancaster House on the detailed implementation of the cease-fire provided for an end to cross-border movements, on the basis of strict reciprocity, on 21 December; and for hostilities within Rhodesia to cease on 28 December. By that date, also, the 1,400-strong monitoring force was to be deployed to the command centres and to the company bases of the Rhodesian security forces, to which the latter were to begin disengaging, and to the 23 rendezvous positions and the 16 assembly places to which the Patriotic Front forces were to move by 4 January.

Following the disengagement of the Rhodesian forces, some 18,000 Patriotic Front forces assembled at the assembly points by 4 January, this number rising to 22,000 by mid-January. (For administrative reasons, and with the agreement of the Patriotic Front commanders, these are now located at 14 assembly points.) Patriotic Front forces which had not assembled by 4 January were, under the terms of the Lancaster House Agreement, unlawful, but the Governor agreed that no measures should be taken against those who still wished to proceed to the assembly area provided they agreed to lay down their arms in so doing. (It was the refusal of a group of ZIPRA forces to surrender their arms at Lupane on 11 January that led to seven of them being killed in an exchange with Rhodesian police.)

In general the assembly period passed relatively smoothly. However, evidence strongly suggests that substantial numbers of ZANLA forces continued to infiltrate into Rhodesia from Mozambique after 21 December, and that in breach of the cease-fire several thousand ZANLA forces have remained outside the assembly areas and continued to operate in the eastern part of Rhodesia.

Violent incidents have continued to occur, although the numbers of incidents and casualties remain far below those prevailing before the cease-fire came into force. Of the 121 alleged breaches of the cease-fire investigated by the Cease-fire Commission by 30 January, 78 were considered to be breaches and were attributed as follows: 34 by ZANLA, with 20 others in the ZANLA area of operations; eight by ZIPRA, with another two in the ZIPRA area of operations; and one by the Rhodesian security forces. (Those responsible for the other 13 breaches have not been identified.)

In dealing with incidents, the Governor has made extensive use of the Patriotic Front commanders and liaison officers, and in practice this has generally proved successful. Responsibility for law and order generally lies with the police, but, where they have been unable to deal with the situation, the Governor has exercised his right under the Lancaster House Agreement to use such other forces as have accepted his authority. Thus, on 6 January he authorised the Rhodesian security forces to support the police to the extent necessary to ensure the effective maintenance of law and order. This has particularly been the case in the eastern areas following the considerable infiltration of ZANLA forces from Mozambique.

The continuing level of violence, including attacks on parliamentary candidates and party leaders, together with other evidence of intimidation of the electorate, has led to the Governor renewing the state of emergency, on 18 January, and assuming powers to impose limited penalties against any party or its candidates which fails to honour its undertaking to campaign peacefully and without intimidation. On 12 February he also assumed powers to suspend elections in any area where systematic intimidation made it impossible for a free election to be held. On the following day the British Government announced that it would be sending additional personnel to Rhodesia to strengthen supervision of the elections, particularly in rural areas, and to ensure that arrangements for voting were scrupulously fair.

Election Arrangements

The elections for the 100-seat House of Assembly (see p 366, 1979) will take place in February, the white roll voters voting on a constituency basis on 14 February and the common roll voters voting on a party list system in eight electoral districts from 27 to 29 February. With regard to the latter, the residence qualification has been removed to ensure that any person deprived of his citizenship, on grounds other than those of fraudulent registration, by the former administration in Rhodesia will be entitled to vote. Elections for the 40-member Senate will be arranged immediately after those for the House of Assembly have been completed.

The Election Commissioner, Sir John Boynton, who is responsible for supervising the preparations for the elections, took up his duties in mid-December, and the provincial commissioners took up their positions on 14 January. The first meeting of the Election Council took place on 15 January. The Council, under the chairmanship of the Election Commissioner and including representatives of all the parties contesting the elections, will consider allegations of unfairness in the conduct of the elections or the administration of the country, and take any necessary action. The 11-member Commonwealth observer group, each from a different country, under the chairmanship of Mr Rajeshwar Dayal of India, arrived in Rhodesia on 24 January. Observers from individual European and Commonwealth countries, and from the British Parliament, are also to witness the elections.

The ban on the internal wings of the Patriotic Front, imposed in September 1978 (see p 348, 1978), was lifted by the Governor on 21 December, the day of the signature of the Lancaster House Agreement, and Mr Nkomo and Mr Mugabe returned to Rhodesia on 13 and 27 January respectively. In all, ten parties registered to contest the common roll elections, the campaign for which officially started on 21 January, but one has since dropped out. The remaining nine are:

1 National Democratic Union (NDU) led by Mr Henry Chihota.

2 National Front of Zimbabwe (NFZ) led by Mr Peter Mandaza.

3 Patriotic Front (PF) – formerly the Zimbabwe

African People's Union (ZAPU) – led by Mr Joshua Nkomo.

4 United African National Congress (UANC) led by Bishop Abel Muzorewa.

5 United National Federal Party (UNFP) led by Chief Kayisa Ndiweni.

6 United People's Association of Matabeleland (UPAM) led by Dr Frank Bertrand.

7 Zimbabwe African National Union (ZANU) led by the Reverend Ndabaningi Sithole.

8 Zimbabwe African National Union – Patriotic Front (ZANU (PF)) led by Mr Robert Mugabe.

9 Zimbabwe Democratic Party (ZDP) led by Mr James Chikerewa.

All the parties will contest all electoral districts except the UNFP which will contest five and the UPAM which will contest two. The Rhodesian Front, led by Mr Ian Smith, is contesting all 20 seats in the white roll elections.

Refugees

The Lancaster House Agreement refers to the desirability of returning as many refugees to Rhodesia as soon as possible to enable them to vote in the elections; but at the same time, because of the immensity of the operation required, recognises that it is unlikely that all will return prior to independence. The number of refugees in the neighbouring countries was estimated in January at about 240,000, of whom 40,000 were in Zambia, 20,000 in Botswana, and the remainder in Mozambique.

A meeting to discuss arrangements for the repatriation programme was held in London on 4 January, those in attendance including representatives from Britain, the Patriotic Front, the Rhodesian administration, the neighbouring countries, the United Nations High Commission for Refugees (UNHCR) and the International Committee of the Red Cross (ICRC). At Britain's request, the UNHCR agreed to co-ordinate the operation, and on 14 January launched an appeal for $22 million. Of this, $14 million is required for the operation's first phase which is designed to arrange the repatriation of as many refugees of voting age as possible before the elections. The second phase, costing some $8 million, will account for the remaining refugees, particularly those who, principally for educational reasons, could not return immediately. Britain has agreed to provide £1,150,000 to the appeal, and is also providing £500,000 in support of the ICRC's operations on behalf of refugees and others in need in Rhodesia.

Repatriation began in mid-January and by the end of the month some 6,500 refugees had been repatriated from Botswana. With a planned return rate of 750 a day, it is hoped that all the refugees in Botswana will be returned before the elections, as well as a high proportion of those in Zambia. The return of those in Mozambique has been delayed by the unsettled conditions in Rhodesia's eastern regions. Repatriation from Zambia and Mozambique was planned to begin on 4 February at an initial rate of 600 to 700 a day from Zambia, and of 500 a day, eventually rising to 1,000 a day, from Mozambique.

Sanctions

In a letter on 12 December, the day on which Rhodesia returned to legality, the British Government informed the Security Council that the purpose of sanctions had been achieved, the situation which the Council had determined in its sanctions resolutions of 1966 and later as being a threat to international peace and security having been remedied. In these circumstances, the letter continued, Britain considered that the Charter obligations of member states regarding sanctions had been discharged, and it was therefore 'terminating the measures which were taken by it pursuant to the decisions adopted by the Council in regard to the then situation of illegality'. On 21 December, meeting at Britain's request, the Council adopted resolution 460 (1979) in which, in view of the agreements reached at Lancaster House, it called upon all member states to terminate sanctions, and dissolved the Council Committee which since 1968 had monitored the implementation of sanctions. The resolution was adopted by 13 votes to nil, the Soviet Union and Czechoslovakia abstaining on the grounds that the decision to lift sanctions was premature.

Measures terminating British sanctions involved an Order in Council revoking Orders made under the United Nations Act 1946, which had imposed sanctions laws in Britain's dependencies; the lifting of all exchange control restrictions in respect of Rhodesia under the Exchange Control Act 1947 and the Emergency Laws Act 1964; and the removal of trade restrictions imposed under the Import, Export and Customs Powers (Defence) Act 1939. Other sanctions, including those on certain activities connected with indirect trade between Britain and Rhodesia, had been allowed to lapse in mid-November when the Government decided not to renew section 2 of the Southern Rhodesia Act 1965 (see p 365, 1979).

Trade with the European Community

On 15 January foreign ministers of the European Community at their council meeting in Brussels agreed in principle to grant Rhodesia access to the Community market on the same terms as those applied to the dependencies of member states. The agreement, once approved, will include duty-free access for Rhodesian tobacco and steel.

Report on Non-Departmental Bodies

Government plans to abolish 246 non-departmental public bodies, with a consequent reduction of some 3,700 public appointments and an estimated saving of about £11·6 million a year, are set out in a White Paper published on 16 January.[1]

The White Paper is the result of a review of the

[1] *Report on Non-Departmental Public Bodies.* Cmnd 7797. HMSO, £5·75. ISBN 0 10 177970 4.

whole range of non-departmental bodies[1] undertaken with a view to eliminating any which had outlived their usefulness or which could not be justified in the context of the Government's objectives of reducing public expenditure and the size of the public sector. The review, which was carried out at the Prime Minister's request by Sir Leo Pliatzky, former Permanent Secretary at the Department of Trade, covers three types of non-departmental bodies. They are: executive bodies, advisory bodies, and tribunals. Executive bodies (commonly called fringe bodies because of their functions on the fringes of central government) generally employ staff and spend money on their own account; advisory bodies and tribunals do not normally employ staff nor spend money themselves, but their expenses are paid by government departments concerned with their affairs.

Presenting the White Paper to the House of Commons on 16 January, the Prime Minister, Mrs Margaret Thatcher, said in a parliamentary reply (*Hansard*, Vol 976, No 97, written answers, cols 735-8), that the Government would look critically at all fresh proposals for new bodies and would be opposed to a policy of a further transfer of functions to non-departmental bodies. She said that a stocktaking would be carried out later this year of a number of cases where decisions about individual bodies had yet to be taken, and that the Government would carry out further reviews from time to time.

The Report's Recommendations

The report recommends that a more cautious and selective approach be adopted in future towards the creation of non-departmental bodies and advises against any extension of the practice of 'hiving off' functions from government departments to non-departmental fringe bodies.

Decisions on Individual Bodies

The report, much of which consists of a factual survey of executive, advisory and judicial bodies, brings together the decisions so far taken by ministers about the future of individual bodies. The effect of these decisions, including measures taken or announced at earlier stages in the review,[1] will be a reduction of 30 from a total of 489 executive bodies, of 211 from a total of 1,561 advisory bodies, and of five from a total of 67 judicial bodies. This will result in a reduction of 3,700 in the number of public appointments with a saving of £11·6 million in administrative costs in a full year. Among the better known bodies to be abolished are the Metrication Board, the Price Commission (p 163, 1979), the Technical Education and Training Organisation for Overseas Countries (TETOC), the Supplementary Benefits Commission (pp 393-4, 1979), and the Health Services Board (see p 250, 1979).

Other measures under consideration, the report states, should produce a further substantial reduction in the number of advisory bodies and may also include rationalisation of some tribunal systems.

Control and Accountability

The report contains a number of detailed suggestions on the control and accountability of new and existing bodies, especially those with substantial expenditure. It recommends that the Comptroller and Auditor General should have a right of access to the books of all future fringe bodies which are not primarily of a commercial character; that annual reports of fringe bodies should be as informative as possible on their cost-effectiveness and the costs and benefits of their activities; and that they should give more information about the remuneration and expenses of board members and employees. The report suggests that a fresh look be taken from time to time at the continued need for each fringe body; and it considers that advisory committees should normally have a finite lease of life, after which they would be disbanded unless reappointment were necessary.

The report also draws attention to the potentially important role of the new House of Commons select committees in monitoring the performance of public bodies (see pp 176-7 and 317, 1979).

[1]These are popularly described as 'quangos', generally defined as 'quasi-autonomous non-governmental organisations'. However, as the report points out, the description is inapposite: the special feature common to these bodies is that they are non-*departmental*; while the description 'quasi-autonomous' is particularly misleading in relation to tribunals if it implies they have less than full judicial independence.

[1]The Government's intention to withdraw funds from 57 bodies sponsored by the Department of the Environment was announced in September 1979 (see p 303, 1979).

EXTERNAL AFFAIRS AND DEFENCE

Afghanistan and East-West Relations

The impact on East-West relations of the Soviet Union's invasion of Afghanistan and the British Government's reaction to it were discussed by the Prime Minister, Mrs Margaret Thatcher, in a debate in the House of Commons on 28 January. Specific British measures taken in response to the invasion were outlined by the Secretary of State for Foreign and Commonwealth Affairs, Lord Carrington, in the House of Lords on 24 January. Britain was also represented at meetings of European Community foreign ministers and of the North Atlantic Council; held on 15 January, both meetings condemned the Soviet intervention. Both Britain and the United States have opposed the holding of the 1980 summer Olympic Games in Moscow, as a protest against the invasion.

House of Commons Debate

Opening the Commons debate (*Hansard*, Vol 977, No 104, cols 933-45), the Prime Minister spoke of 'a grave development in East-West relations'. The Soviet Union had shown that it was prepared to use force to impose its will on a small neighbouring country and that, by arresting and exiling Professor Andrei Sakharov,[1] it would not tolerate dissent within its own borders. These actions revealed 'a brutal disregard for accepted rules of international behaviour, for world public opinion, and for the principles laid down in the Helsinki Final Act of 1975 – an agreement signed by President Brezhnev himself' (see pp 307-12, 1975).

Détente

Détente, Mrs Thatcher said, reflected 'the common interest of all mankind to avoid a nuclear holocaust, which could come from military conflict between East and West'. For ten years or more the West had built on that feeling to try to reach 'mutually beneficial East-West agreements on arms control, on Berlin and on Germany'. However, the Soviet Union and its allies had 'persecuted those of their citizens who [had] dared to think and speak for themselves' and had 'built up their armed forces far beyond their defensive needs'. They had also gone further by instigating Cuba to intervene in Angola (see pp 104-6, 1976) and Ethiopia (see pp 119-20, 1978) on their behalf; by providing arms, military advisers and financial support to the Marxist forces of subversion in the Third World – notably in the Caribbean, Africa and the Middle East; and by working directly and indirectly against Western interests wherever they could. Repeatedly they had claimed that all this was compatible with the rules of détente as they defined them.

Regrettably many people in the West had been prepared to overlook these breaches of the rules in the hope that, with time, the Soviet Union would 'behave more responsibly'. They had believed that the process of détente would educate the Soviet Union about the outside world, that wider contacts and increasing prosperity would soften the harshness of the Soviet political system, and that the Soviet Union would behave more moderately in the Third World, in Europe and in its relationship with the United States. The invasion of Afghanistan and the exile of Professor Sakharov, however, left 'no room for illusion'. They were deliberate acts of policy and seriously weakened 'the basis for the fruitful conduct of East-West relations'.

The Prime Minister said that the Soviet Union had a different interpretation of détente, one that meant 'the preservation of [its] security at the same time as [it] . . . enjoyed access to Western foodstuffs and technology on easy terms, and the chance to extend, by overt and covert means, [its] influence and political control wherever opportunity offered'. It had proclaimed an 'unrelenting ideological hostility to all [the West's] ways, traditions and institutions' and had meddled in the West's affairs at every turn 'while angrily rejecting the thought that [it] should conduct [its] domestic affairs in a civilised and democratic manner'. Mrs Thatcher emphasised that the nations of the free world had to be resolute and united in order to show the Soviet Union how badly it had underestimated the cost to it of the invasion and how serious the consequences would be if it tried the same thing again. If efforts to build a safer world were to be continued, the Soviet Government had to abide 'by the normal standards of international conduct'.

[1]On 22 January Professor Sakharov, a Nobel Peace Prize winner, nuclear physicist and a leader of the Soviet dissident movement, was arrested in Moscow and exiled to the city of Gorky which is closed to foreigners.

South-West Asia

Afghanistan, Mrs Thatcher said, was a warning. It was not a distant country that could be ignored because there was no local crisis in Europe. While the Soviet Union had used force before to invade a neighbour, this was the first time that it had invaded 'a country outside the Warsaw Pact, an Islamic country, a member of the non-aligned movement, and a country that posed no conceivable threat to [its] security or [its] interests'. The Soviet Union had 'driven a wedge into the heart of the Muslim world'. If its hold on Afghanistan were consolidated, it would have vastly extended its borders with Iran, acquired a border with Pakistan more than 1,000 miles long, and advanced to within 300 miles of the Straits of Hormuz which controlled the Gulf. These facts were a cause for alarm both to the countries of the region and to the West.

Iran was now more than ever in the front line. Although the Soviet Union had said that its intentions towards Iran were benevolent, who could believe this? After all, it claimed that its 1921 treaty with Iran was still valid.This gave the Soviet Union the right to advance troops into Iran if a third party used Iran as a base for operations against it. Recalling that the Iranian revolution had stirred up feelings for autonomy among many ethnic groups and had fostered ideological and religious disputes, Mrs Thatcher said that the Iranians were increasingly aware of the temptations these presented to the Soviet Union.

Commenting on the election of Mr Bani Sadr as first President of the Islamic Republic of Iran on 28 January, the Prime Minister expressed hope that the continued detention of the United States hostages (see pp 372-3, 1979 and p 15) would be one of the first problems to which he devoted his efforts. Britain would co-operate in every way with policies contributing to the release of the hostages. In doing so it would bear in mind the situation in the region as a whole, for the Soviet Union would be only too willing to pose as protector of the Iranian revolution, or as the restorer of order in the country. Britain wanted to 'avoid giving [it] any opportunity to do so and to make clear the consequences if [it] tried'.

Turning to the impact of the invasion on Pakistan, Mrs Thatcher said that 'we shall need to be similarly clear about the importance that we attach to Afghanistan's eastern neighbour'. There were already over half a million Afghan refugees in Pakistan and their number was expected to grow rapidly. Given the facts that the refugees would feel resentful and aggrieved and that they came from tribes that spanned the border of both countries, the threat to stability was obvious and Pakistan's concern was 'well justified'. It was a concern shared by the People's Republic of China and India. The Indian Government had stated that the Soviet presence in Afghanistan had increased tension and had moved danger closer to the Indian border. Mrs Thatcher emphasised that this situation had not arisen through rivalry between the super-powers, since the Soviet Union was 'the only super-power with massive ground forces in the area'.

The Prime Minister hoped that recognition of this fact would lead to a better understanding between Pakistan and India, this being vital to the future of the whole region. The threat from Afghanistan to its western and eastern neighbours was 'plain and direct'. Equally, the threat to the south was 'every bit as dangerous' and the importance to the West of the states bordering the Gulf did not need to be stressed. The oil they produced was 'the lifeblood of Western industrial societies' and the Straits of Hormuz were the artery through which it flowed. The threat was the more compelling when one recalled the control that the Soviet Union could exercise over the entrance to the Red Sea through its client states in South Yemen and Ethiopia.

The Non-Aligned World

The Prime Minister pointed out that the Soviet action was not only an affront to the West but also to the non-aligned movement. One hundred and four countries had condemned the Soviet Government in the United Nations General Assembly (see pp 15-18); seldom had a great power 'been censured so publicly, so rapidly and so comprehensively'. The Soviet Union's claim to be a champion of the developing world had been shattered. The truth was that it 'had little to offer the Third World but weapons and dogma' and such economic aid as it had given always had ulterior motives. Pointing out that Soviet tanks had crossed Afghanistan on roads built with Soviet money and that Soviet aircraft had landed on airfields similarly financed, Mrs Thatcher commented that this was 'hardly aid without strings'. Although the countries of the Third World were 'awakening to the realities of Soviet foreign policy', it was not for the West 'to tell them how to carry forward the work begun in the General Assembly'. Although Britain would help if asked, in the first instance they had to develop effective answers 'to the threat of subversion in their own countries'. Resistance to infection required 'awareness and effort from the potential victim'.

The West's Response

Pointing out that the United States had already taken a number of measures in response to the crisis over Afghanistan (see p 18), the Prime Minister said that Britain had stopped aid to Afghanistan, had withheld recognition from the new regime in Kabul, and had initiated consultations in the North Atlantic Alliance and the European Community. The Foreign and Commonwealth Secretary had visited the countries in the region and had informed the House of Lords about his talks and the conclusions he had drawn (see p 53). Britain was also reviewing its aid plans for Pakistan and, with its partners, would do everything in its power to improve stability in the Gulf and reassure its other friends in the Arabian peninsula. The Foreign and Commonwealth Secretary had also announced measures with regard to the Soviet Union itself (see p 53), and the Government was concerned at the prospect of the summer Olympic Games taking place in Moscow.

Emphasising that action taken by Britain would have effects 'stretching well into the future', Mrs

Thatcher said that it was important for Britain and its allies to persist in their efforts: 'We must not give the impression that our indignation is synthetic or short-lived. The most persuasive evidence of our determination will be our willingness to sustain our unity and defence effort.' Britain was resolved to do so. Drawing attention to recent decisions by allied governments to increase defence expenditure and modernise NATO's long-range theatre nuclear weapons, the Prime Minister said that they had to 'demonstrate that they can carry out those decisions'.

These measures taken by the West did not imply 'a complete break with the past', for the business of East-West relations had to go on as both sides had to live in the same world. The West had 'a real and continuing interest' in a number of arms control negotiations which were an integral part of Britain's efforts to safeguard its security. Recent events, however, once more called 'Soviet good faith into question and cast a shadow over the prospects for early progress'. Supporting President Carter's decision to defer ratification of the Salt II Treaty (see p 18), Mrs Thatcher hoped that it would be ratified in due course. She also promised that Britain would persist in efforts to initiate negotiations with the Soviet Union about theatre nuclear forces in Europe, would pursue the Vienna negotiations on mutual and balanced force reductions, would carry on negotiations for a comprehensive test ban, and would continue preparations for the 1980 Madrid meeting about the next stage in the process begun at Helsinki. Much, however, would 'depend on Soviet actions meanwhile'.

The efforts of the West in defence or negotiations could be effective only if it was united. Britain and its European Community partners had come together 'above all for political reasons', one of these being 'a greater ability to resist external pressure'. This shared interest lay behind the common action the Community aimed to develop in response to the crisis in its relations with the Gulf, with Yugoslavia and with Pakistan. Pointing out that there were inevitable differences of emphasis among a free association of nations on a problem of this magnitude, the Prime Minister warned the Soviet Government that it should pause before concluding that debate was a sign of weakness. It would be another Soviet miscalculation to think that efforts to split Western Europe could succeed. Similarly the Soviet Government could not expect to succeed in attempts to show that the interest of Europe in a sensible relationship between East and West was in some way different from that of the United States: 'The United States is the final guarantor of European security. It is demonstrating clear leadership and we should back it.'

In conclusion Mrs Thatcher defined détente as a way of managing East-West relations in order to avoid war while protecting the legitimate interests of both sides. The process could not be confined to Europe for 'in an interdependent and oil-hungry world the interests of East and West [were] affected by events everywhere'. Détente was indivisible or was nothing. As long as the Soviet Union refused to accept this and went on trying to defeat the West by all means short of war, Britain would strengthen its relations with the whole non-Communist world and look to its defences. The British Government would continue to negotiate with the Soviet Union 'from a position of balanced strength on issues where our interests are mutual'. In the struggle for ideas Britain could 'gladly take on the Soviet Union' for it was an arena 'where the defeat, not the victory, of Marxism [was] inevitable'. Meanwhile Britain stood ready 'for co-operation in a search for mutual benefit in a true détente, if, one day, the Soviet Union decides, genuinely, to take the path of peace'.

Opposition View

Replying to the Prime Minister, the Leader of the Opposition, Mr James Callaghan, said that events in Afghanistan had demonstrated that the Soviet Union moved 'swiftly, ruthlessly and powerfully' when it decided that its interests required it. Describing the move as a 'disastrous miscalculation' and 'not all gain for the Soviets', he said that the Soviet Union was 'clearly seen as a colonial power', had been condemned by 'the overwhelming majority of the members of the United Nations in an almost unprecedented manner', had strengthened relations between the People's Republic of China and the United States, and had united the rival factions in Afghanistan in opposition to it. Moreover Soviet influence in the Islamic world had been weakened.

Mr Callaghan said that the Opposition supported President Carter's view (see p 55) that any Soviet attempt to gain control of the Gulf would be 'an assault on the vital interests of the West as a whole'. Unless the Soviet Union accepted this fact, there would be growing tension in the Middle East and no basis for future understanding between the Soviet Union and the West. Mr Callaghan commented that political instability in the area was more likely to arise from the internal discontent of the people there than from an outside threat, and, observing that oil had in some senses deformed the West's relationships with them, urged that stronger efforts should be made by the West to broaden and deepen cultural links with Islamic peoples and not merely to regard them 'as purveyors of an essential source of fuel'.

On the Western response to the Soviet action, Mr Callaghan said that adequate military strength was necessary but was not enough. Given the fact that the world's economic and monetary system was not working effectively, a new economic initiative was required from Western leaders. This needed to be concerned with the promotion of faster economic growth, an increase in world trade, the lessening of debt burden on non-oil producers in Third World countries, the reduction of inflation and the stabilisation of the world monetary system. In addition discussions were required between the industrial nations and Middle East oil producers. On the political front, Mr Callaghan supported the idea that the West should give all possible help to measures taken by Middle East countries to preserve their independence.

In conclusion Mr Callaghan said that 'the Soviet Union must understand that to seek to follow the path of détente in Europe, coupled with Third World adventurism and ideological struggle, is no longer a realistic option if peace is to be preserved'. The real choice was between 'a retreat to a new Cold War, fuelled by a new arms race, or an advance to the concept ... of a global détente. The Soviet Union has to make such a choice'.

Foreign Secretary's Statement

Speaking in the House of Lords on 24 January (*Hansard*, (*HL*), Vol 404, No 70, cols 530-46), Lord Carrington said that, if the Soviet Union was to be deterred, a sustained and significant response was needed not only from the West but from the countries which felt threatened. Reporting on his discussions with the governments of Turkey, Oman, Saudi Arabia, Pakistan and India between 9 and 18 January, he indicated that some important points of agreement had emerged. These were: that the West and the countries in the region had a common interest in the stability and integrity of the Gulf and the Straits of Hormuz; that in the light of the Soviet threat Pakistan had to count on the material and political support of its friends; that the real threat to Iran's recent revolution and future security came from the Soviet Union; and that there was a 'general repugnance' in the Islamic countries visited about the Soviet onslaught on another Islamic nation. All had recognised the Soviet threat of intervention by force or subversion, and had accepted 'the responsibilities that flowed from this assessment' and 'the need for solidarity among like-minded people'. Moreover the requirement of a fresh effort to overcome the divisions of the past had been widely recognised.

This would not be easy, Lord Carrington continued, as conflicts of local interest had to be overcome. In India there was 'a deep concern that Western military aid to Pakistan could disturb the delicate political balance in the sub-continent', and the Indians had no desire to see their part of the world become the arena for a clash between the super-powers. The Foreign Secretary said that he had pointed out to India's Prime Minister, Mrs Indira Gandhi, that Western help for Pakistan was 'a direct consequence of the incursion of the Soviet super-power' and that the Soviet Union was the 'only super-power with a powerful military presence on the sub-continent'. Mrs Gandhi had made it clear that she wished to continue the process of better understanding with Pakistan begun with the 1972 Simla agreement (see p 424, 1972). President Zia of Pakistan had also said that he looked forward to a development of this process. Lord Carrington commented that it would be a major contribution to peace of mind in the sub-continent if each country's worries about the other could be dissolved.

Turning to the West's response, the Foreign Secretary said that the people of the region needed, and were looking for, 'material Western assistance and a firm Western commitment to their security and independence'. The first need was to help Pakistan, and Britain was discussing with its allies the best ways of helping Pakistan to tackle its political, economic and military problems. It was also considering 'other measures to help the countries of the region as a whole, both in the short term and in their struggle against the long-term threat of Soviet disruption and subversion'. In particular, co-operation with Turkey had to be developed, links needed to be strengthened with the Arab countries, and Britain looked forward to rebuilding 'a mutually satisfactory relationship with the people and Government of Iran once the American hostages in Tehran have been released'. One of the most important of all possible contributions to the political stability of the area would be 'a settlement of the Arab-Israel conflict which recognises the rights of the Palestine people as well as Israel'.

British Measures

Lord Carrington recalled that immediately after the Soviet invasion Britain had proposed that the North Atlantic Alliance and the European Community should discuss measures to impress on the Soviet Union the serious view that the West had taken of its action. In addition to the British measures announced on 14 January (see pp 15-16), the Foreign Secretary outlined further decisions by the Government. These are:

1 A refusal to renew the British-Soviet credit agreement of 1975 which expired on 16 February 1980. Lord Carrington said that the terms were too favourable to the Soviet Union since the export credit was subsidised to a greater extent than that extended to other countries. As the Government believed that trade should be pursued on a basis of mutual advantage, future credit would be considered on a case by case basis and, on the assumption that other Western countries did the same, Britain would not provide export credit to the Soviet Union at rates more favourable than those set by the international consensus on credit terms.

2 The study with other countries of the tighter application of rules controlling the transfer of sensitive technology to the Soviet Union.

3 The avoidance, for the time being, of high-level and ministerial contacts with the Soviet Union. In addition military exchange visits under consideration will be cancelled and any cultural or other events appearing to condone Soviet aggression will be avoided.

4 An increase in broadcasts by the external services of the British Broadcasting Corporation to listeners in the Soviet Union and Afghanistan.

The Olympic Games

On 17 January, in answer to a parliamentary question, the Prime Minister expressed the view that the summer Olympic Games due to take place in Moscow in July 1980 should be moved. On 23 January she wrote to the Chairman of the British Olympic Association, Sir Denis Follows, pointing out that the Soviet action in Afghanistan stood in complete antithesis to the Olympic ideal and that the Games were a major political event being used to boost Soviet prestige in the world. She therefore requested the Association to pro-

pose to the International Olympic Committee (IOC) that the Games be moved from Moscow. In the belief that it would be possible to hold the Games in one or, if necessary, more than one place, the Government would, she wrote, play a full part in supporting arrangements in Britain for those parts of the Games that might be held there.

In her speech to the House of Commons on 28 January Mrs Thatcher said that attendance at the Games would 'give aid and encouragement to the Soviet Government in the immediate aftermath of its invasion of an independent country and its arrest and exile of one of the country's most distinguished citizens'. The solution was 'to move the Games to a place or places where politics do not predominate'. The Prime Minister said that Sir Denis had agreed to propose this move to the IOC and, in the light of their decision, the Government would consider further what advice it should give.

In a meeting with representatives of the Central Council for Physical Recreation on 4 February, Mrs Thatcher said that the Government would not use oppressive methods, such as the withdrawal of passports, to prevent British athletes from going to Moscow.

President Carter announced on 20 January that he would be asking the US National Olympic Committee to approach the IOC requesting the removal of the Games if Soviet troops remained in Afghanistan for more than a month longer. If the troops remained, he said that he would not support the sending of a US team to the Games in Moscow. Both the US Senate and the House of Representatives have passed resolutions calling for a boycott. Over 40 Governments have said that the Games should be cancelled, postponed or moved.

The Islamic Conference of foreign ministers, meeting in Islamabad from 27 to 29 January, passed a resolution, part of which called on member states not to participate in the summer Games unless Soviet troops were withdrawn from Afghanistan; however, eleven states reserved their judgment on this issue.

On 12 February the IOC decided that the Games in Moscow should go ahead despite a speech to them by Mr Cyrus Vance, US Secretary of State, urging that this should not be done. Following the IOC's decision, the Prime Minister announced in the House of Commons on 14 February that the Government had decided to advise British athletes not to go to the Games in Moscow (*Hansard,* Vol 978, No 117, col 1742).

Community Foreign Ministers' Meeting

Following a meeting in Brussels on 15 January, the nine European Community foreign ministers issued a statement reaffirming 'their grave concern with regard to the crisis created by the military intervention of the Soviet Union in Afghanistan, which represents a serious violation of the principles of international relations enshrined in the Charter of the United Nations'. Emphasising the unacceptability of the explanations given by the Soviet Union to justify its intervention, the ministers said that it constituted 'a flagrant interference in the internal affairs of a non-aligned country belonging to the Islamic world' and 'a threat to peace, security and stability in the region'. They noted with concern the Soviet veto of a United Nations resolution on the subject and urged the Soviet Union to act in conformity with the UN General Assembly resolution calling for the immediate and unconditional withdrawal of all foreign troops from Afghanistan (see p 17).

On the question of détente the ministers remained convinced that, while this process was in the interests of all members of the international community, it was 'indivisible' and had a 'global dimension'. They therefore called on the Soviet Union to 'allow the Afghan people to determine their own future without foreign interference'.

Action taken by the Community foreign ministers, and announced by the Lord Privy Seal, Sir Ian Gilmour, in the House of Commons on 16 January (*Hansard,* Vol 976, No 96, cols 1627-8) includes the cancellation of the 1979 Community food aid programme for Afghanistan, a refusal to replace, directly or indirectly, United States deliveries of agricultural products to the Soviet Union (see p 18), and a request to the European Commission to produce proposals for emergency aid to Afghan refugees. The foreign ministers also reached unanimous agreement on the rapid conclusion of an enlarged trade agreement with Yugoslavia. At a further meeting of the Council of Foreign Ministers on 5 February, emergency aid of $14 million was approved for Afghan refugees as well as food aid of 12,000 tonnes of cereals, 300 tonnes of skimmed milk powder and 1,000 tonnes of sugar.

In his statement of 24 January, Lord Carrington said that Britain was pressing for an end to Community subsidised sales of butter, meat and sugar to the Soviet Union.

North Atlantic Council Meeting

A meeting of the North Atlantic Council was held on 15 January for consultations on the Soviet invasion of Afghanistan and its consequences for East-West relations and for the Alliance. A press statement, issued by the Secretary-General after the meeting, expressed full support for the UN General Assembly resolution, attacked the invasion for its contravention of 'fundamental principles of international behaviour', and said that it represented a 'serious blow to the Alliance efforts to build a framework of constructive relations with the Soviet Union'. The pursuit of détente, the statement continued, would be gravely undermined so long as Soviet forces occupied Afghanistan. Each member of the Alliance would, therefore, take appropriate individual measures and all agreed that actions by one should be taken into account by other member states.

Other Reactions

Referring to Afghanistan in his State of the Union Message delivered to Congress on 23 January, President Carter said that the Soviet Union had to pay a concrete price for its aggression and listed the economic measures taken by the United States (see p 18). Observing that the region threatened by Soviet troops in Afghanistan was of great strategic importance and contained more than two-thirds of the world's exportable oil,

President Carter emphasised that the situation demanded 'collective efforts to meet this new threat to security in the Gulf and South-West Asia' and 'the participation of those who rely on oil from the Middle East and are concerned with global peace and stability'. He therefore pledged that any attempt by an outside force to gain control of the Gulf region would 'be regarded as an assault on the vital interests of the United States' and 'be repelled by use of any means necessary, including military force'.

The Islamic Conference in Islamabad unanimously called for the immediate and unconditional withdrawal of Soviet troops from Afghanistan and described the Soviet invasion as a gross and blatant violation of international law and of the Charter of the United Nations. It also recommended that all Islamic Conference states should reaffirm their solidarity with the Afghan people in their just struggle to safeguard their faith, national independence and territorial integrity.

Shorter Notes

CHILE

The Government's decision to restore normal diplomatic relations with Chile was announced in the House of Commons on 17 January by Mr Nicholas Ridley, Minister of State at the Foreign and Commonwealth Office (*Hansard*, Vol 976, No 97, cols 1872-75). [The last British ambassador to Chile was recalled in December 1975 following the maltreatment of Dr Sheila Cassidy during her detention by the Chilean authorities – see p 16, 1976.]

Mr Ridley said that the Government had considered all aspects of Britain's relations with Chile in coming to a decision, and that this restoration of normal diplomatic relations brought Britain into line with most of its major allies. Replying to questions, Mr Ridley explained that one of the reasons for restoring ambassadors was to enable the British Government to present its views on human rights and all other matters at a higher level and with greater impact. As a result of 'much pressure' by Britain, the Chilean Government had sincerely regretted 'any improper treatment that Dr Cassidy may have received during her detention' and had given assurances that 'the most exhaustive possible investigation' had been carried out. Mr Ridley also pointed out that, if Britain were to base the exchange of ambassadors upon countries having regimes or records on human rights which it approved, it would have many fewer ambassadors.

ECONOMIC AND SCIENTIFIC AFFAIRS

Housing Bill

The Housing Bill was given its second reading in the House of Commons on 15 January. The Bill sets out a charter for public sector tenants, including the right to buy their homes, establishes a new kind of fixed term or 'shorthold' tenancy in the private rented sector, and lays down new provisions for housing finance.

Provisions of the Bill

The main provisions of the Bill were previewed on 17 May 1979 during the debate on the Queen's speech (see p 167, 1979).

Part I of the Bill deals with public sector tenants' rights. With certain exceptions, tenants of at least three years' standing would have the right to buy the freehold of their home if it is a house, or a long lease if it is a flat, at a discount on the market price of the property. The discount would range from 33 per cent to 50 per cent, depending on how long the tenant had been in the property, and would have to be repaid in total or in part if the property were resold within five years. Tenants would also have the right to be given a mortgage by the local authority to effect the purchase. If a tenant, because of his income, were unable to obtain a sufficiently large mortgage to buy immediately he or she would be able, by paying a £100 deposit, to reserve the property for up to two years at the initial valuation price. The Secretary of State for the Environment would have powers to take over the sale of a property if it appeared that a local authority were not taking adequate steps to facilitate the sale (clauses 1-23).

The remainder of part I of the Bill lays out the rules for a tenants' charter for publicly rented housing (clauses 24-45). In general, there would be security of tenure for tenants of local authorities, new town corporations, certain housing associations and some other bodies. On death there would be provision for one succession by a member of the tenant's family. Public sector tenants would be allowed to sublet part of the dwelling or take in lodgers with consent, which could not be unreasonably withheld. Other provisions would enable the tenant to be reimbursed for improvements made, and would require the landlord to supply tenants with information about their contractual and statutory rights and obligations. There are also provisions for consultations with tenants on questions of housing management. The Secretary of State for the Environment would be empowered to contribute to the cost of arrangements for assisting transfers and exchanges.

Part II of the Bill (clauses 50-70) deals with private rented housing, and proposes amendments to the Rent Act 1977 (see p 296, 1977). The Bill would establish 'shorthold' tenancies, under which landlords would be able to let accommodation at fair rents for fixed terms of between one and five years, at the end of which they would have the right to regain possession. 'Assured' tenancies would also be introduced, under which approved landlords would be able to let new dwellings outside Rent Act protection but under modified control of the Landlord and Tenant Act 1954 (business tenancies). Other provisions in part II would reduce the normal period before fair rents, regulated by independent rent officers, can be reviewed from three to two years, and would convert tenancies controlled on 1956 values to rent regulation.

Part III (clauses 71-76) deals with tenants' repairs and improvements in both the public and private sectors, and provides, among other things, that most tenants protected by legislation may make improvements to their homes with consent, which may not be unreasonably withheld; and may be reimbursed by the landlord for their improvements.

Further parts of the Bill cover jurisdiction and procedure (clauses 77-79), local authority powers in land acquisition and disposal (clauses 80-84), housing subsidies (clauses 85-93), local authority or grant aided housing repairs and improvements (clauses 94-97), local authority and other mortgages (clauses 98-103) and local authority housing finance (clauses 104-105), as well as various provisions relating to the control and finance of housing associations (clauses 106-115). The final part of the Bill (clauses 116-123) relates to housing accounts, service charges and other matters.

The provisions of the Bill would all apply to England and Wales, but only certain provisions dealing with mortgages and housing associations would apply to Scotland. A Bill making broadly similar provisions for public and private sector tenants in Scotland has also been introduced in Parliament (see p 58).

House of Commons Debate

The Bill was given a second reading by 319 votes to 267, a Government majority of 52. Introducing the debate (*Hansard*, Vol 976, Nos 95-6, cols

1443-1576), Mr Michael Heseltine, Secretary of State for the Environment, drew a contrast between the owner-occupier and the tenant. 'No one can dispute', he said, 'that the home owner in recent decades has gained immensely from the fact of ownership. The gain has accrued partially from the judgment and thrift associated with the saving to buy, but even more from the tax-free windfall gains that have accrued to virtually everyone once they have bought their own home.'

For those who rented or wished to rent, the Bill, Mr Heseltine continued, 'marks a shift of policy direction in marked contrast to recent years, and lays the basis for perhaps as profound a social revolution as any in our history. Certainly no single piece of legislation has enabled the transfer of so much capital wealth from the state to the people.'

In both the public and private sectors rent restraint, in one form or another, had placed an intolerable financial burden on local authorities and private owners, with the result that investment in public housing had declined over the last five years, following the much longer term decline of private housing to rent.

'I understand the abuses which led to the tightness of present controls', Mr Heseltine said, 'but I hope that others will understand and recognise that the price of these controls is now being paid by those living in unmodernised houses, whose owners cannot afford to improve, and by those without homes at all because owners are scared to let for fear of losing possession.' The central aim of the Bill was to encourage 'the widest response from the largest number of people to help solve their own problems, thus enabling concentration of public sector resources on those with the most pressing problems'.

The first part of the Bill, giving public sector tenants the right to buy, had two main objectives: first, to give people what they wanted and, second, to reverse the trend of ever-increasing dominance of the state over the life of the individual. 'There is in this country', the Secretary of State said, 'a deeply ingrained desire for home ownership. The Government believes that this spirit should be fostered.' The discounts to be given to public sector purchasers recognised, he explained, 'what is a common practice in the private sector – that a sitting tenant often purchases his home at significantly less than its open market value'.

On mortgages for the purchase of public sector properties, Mr Heseltine pointed out that, as local authorities had already incurred the borrowing, a grant of mortgage by them would simply be a recycling of public sector debt. However, to the extent that many of those who bought would do so in cash or with a private sector mortgage, the greater would be the gain to the public sector.

Referring to the power which he would have to take over a transaction where it appeared that a council was not taking adequate steps to facilitate a sale, the Secretary of State emphasised that he regarded this as a reserve power: 'I shall use it only when I find that I have to protect tenants from the illegal behaviour or deliberate delaying tactics of the councils under which they live.'

On the special problems of properties in rural areas, Mr Heseltine said that, while it would be wrong to deprive those in the countryside of the opportunity to buy their homes, clause 18 of the Bill would enable local authorities in England to restrict the resale of a dwelling in a national park or area of outstanding natural beauty to people who had lived or worked for the preceding three years in a county within which the park or area lay. The Secretary of State for Wales would have power to designate areas in Wales within which local authorities would be able to apply a similar restriction.

Mr Heseltine referred to the financial assessment of the sale of public sector housing,[1] which had recently been produced by his department and others; but he warned against 'the nonsense of trying to peer in minute detail into the future'.

Turning to the tenant's charter, Mr Heseltine said: 'For the first time in the history of public sector housing in this country, tenants will have the protection of a statutory code of rights in their dealings with the local housing department.' The charter would 'make a profound difference to public sector housing in this country; first and foremost, to the tenant and his family. It will not only give them statutory security in their own home but the legal rights to make full use of that security; to enjoy their home as they want; to improve it to meet their needs; to paint it in the colour they choose; to put their own ideas, skills and personality into it and, if they decide to do so, to bring another member of their family into the home, or take a lodger, thus making better use of the accommodation.' His aim in framing the charter had been to make public sector tenants aware that they had *de facto* security and provide incentives for them to take a greater interest in the condition of their home and its environment. 'The more that those who can will do for themselves', he said, 'the more housing authorities will be able to concentrate on the problems of those dependent on society'.

The Government wished, where possible, to encourage those tenants who wanted to take full responsibility for their own management by setting up a management co-operative. 'It is one way', Mr Heseltine said, 'of ensuring that people feel they have control over the immediate environment they live in'.

On the problems of the inner cities Mr Heseltine believed that '. . . the Bill, both by widening the choice of tenure and by the enhanced role it offers to tenants, is a central feature of the Government's policy to bring a new dimension of opportunity and commitment to these areas'.

Dealing with the private rented sector, he noted that it had been declining for 60 years, principally because of rent control, resulting in low return on investment, and security of tenure; '. . . whilst some have gained from such controls', the Secretary of State said, 'others – including many of our poorest citizens – have suffered from the lack of accommodation'. The consequences of holding down rents artificially over long periods were, he

[1] *Appraisal of the Financial Effects of Council House Sales.* Department of the Environment, Scottish Development Department, Welsh Office. £1·20.

believed, manifest. 'Thousands of basically sound properties have been demolished. Tenants have lived for years in appalling conditions and owners have given up in despair. In spite of all the housing progress made, it is harder and harder for young people to find a place to rent.'

Mr Heseltine indicated three ways in which the Bill sought to help the private rented market. First, the clauses (50-54) covering shorthold tenancies would provide landlords with substantial safeguards while corresponding with the needs of the vast majority of new tenants who were looking for short-stay accommodation. Second, clause 64 would simplify the procedure for the resident landlord who wished to regain possession of his property. Third, clauses 55-57, concerned with new building to rent on assured tenancies, would enable the Government to see what scope there was for attracting long-term investment into rented acommodation once more. Rents under assured tenancies would be freely negotiated, but tenants would have effective security under a modified form of the business tenancy regime in the Landlord and Tenant Act 1954. Mr Heseltine gave an undertaking that none of these three measures would affect existing tenancies.

Further changes proposed in the Bill would encourage existing private landlords – for example, reduction of the period of review for fair rents from three to two years, and the conversion of tenancies with rents controlled on 1956 values to regulated tenancies.

Opposition View

Mr Roy Hattersley, the Opposition spokesman for the Environment, accused the Government of financial irresponsibility in proceeding with the sale of public sector houses without being fully aware of the long-term costs. The principal objection of the Opposition to selling council houses was that compulsory sales would mean a denial to prospective tenants of vacated houses that otherwise would have been available to them. The pattern which would emerge, Mr Hattersley suggested, would be that the richer tenants would buy the better houses and the poorer tenants would be left with those that remained.

The Opposition welcomed the tenants' charter, the extensions proposed in the availability of grants for repairs and improvements and a more flexible subsidy structure. However, the proposals for the private rented sector would mean higher rents for many tenants, especially the poorest and those in the worst accommodation. Mr Hattersley also expressed concern about the absence of safeguards for the tenant in the proposals for shorthold tenancies.

Tenants' Rights, Etc. (Scotland) Bill

The Tenants' Rights, Etc. (Scotland) Bill was given its second reading on 14 January, a day before the Housing Bill (see above). The Tenants' Rights Bill lays down rights (including the right to buy) for public sector tenants in Scotland broadly similar to those laid down in the Housing Bill for public sector tenants in England and Wales. The concept of short tenancies of from one to five years is introduced, and a number of other modifications to the law concerning private sector tenants in Scotland proposed. Legislation relating to the improvement and repair of housing would be extended by the Bill, and the Scottish Housing Advisory Committee would be abolished.

PROVISIONS OF THE BILL

Part I of the Bill would give tenants of three or more years' standing (with certain exceptions) of such public sector housing authorities as local councils, new town development corporations and the Scottish Special Housing Association, as well as housing trusts and co-operatives, the right to buy their homes at a discount which would vary according to the length of time they had been a tenant. Tenants would have the right to a home loan from a housing authority where they were unable to finance the purchase privately. There would be safeguards, involving repayment of the discount, in relation to the resale of homes within five years of purchase. An option to buy at a fixed price within two years could be taken by a tenant whose home loan entitlement was at present insufficient.

Part II deals with other public sector tenants' rights. Subject to certain exclusions, tenants of local authorities and various other bodies would have security of tenure, with provision for succession on death to a member of a tenant's family (clauses 10-12). Tenants would have to be provided with written leases (clause 15), would be able to sub-let or take in lodgers with consent (clause 20) and, again with consent, make improvements to their homes (clause 22); consent could not unreasonably be withheld. The landlord authority would not be able to increase the rent to reflect improvements made by a tenant and would be able to reimburse the tenant on termination of the tenancy for improvements which had added to the value of the house (clause 24).

Part III deals with a variety of matters relating to local housing authorities, including allocation practices (clauses 25 and 26), rent increases (clause 27), home ownership (clauses 28-30) and exchequer contributions to expenditure on environmental improvements (clause 31).

Part IV covers the private rented sector. Under clauses 33-35 a short tenancy of between one and five years could be created, with the right of the landlord to recover possession at the end of the period. The phasing of increases in fair rents would be abolished and the Secretary of State for Scotland would have power to prescribe limits in rent increases for houses let by private landlords where a rent was registered (clause 36). Other provisions include the conversion to rent regulation of all remaining controlled tenancies (clause 39), and the enabling of a tenant to carry out works to the house, subject to the consent of the landlord (clause 49).

Part V of the Bill would extend the availability of the whole range of improvement and repair grants for houses (clauses 53-56) and abolish the Scottish Housing Advisory Committee (clause 57).

HOUSE OF COMMONS DEBATE

The Bill passed its second reading by 313 votes to 252, a Government majority of 61. Moving the second reading on 14 January (*Hansard*, Vol 976, Nos 94-5, cols 1237-1354), Mr George Younger, Secretary of State for Scotland, suggested that the housing situation in Scotland remained unsatisfactory despite the large sums of money spent and despite the fact that more than a million houses had been built in Scotland in the last 35 years. Figures indicated that there was a surplus of houses over households of about 200,000, or ten per cent; what was wrong, Mr Younger argued, was the types of houses available and the types of scheme in which the houses were situated. The result, he said, was 'an unbalanced and unsatisfactory housing system'.

Mr Younger suggested that there were three elements lacking in the Scottish public housing system – choice of housing, mobility and security. 'The time has come', he said, '. . . to give quality of life equal priority with the physical quality of housing by creating a new framework for the relationship between landlord and tenant which will provide a clear set of rights for tenants and an impartial mechanism for resolving disputes'. In the Secretary of State's view the Bill would 'give tenants the freedom and power to help themselves, rather than prescribe precisely what they can and cannot do'. It was not intended to place complicated new burdens on landlords, but merely to give tenants the right to be heard by an impartial third party when they wished to challenge the reasonableness of their landlord's actions, for instance over carrying out improvements or sub-letting. However, the Bill went beyond this in three respects – in the right of succession to a tenancy after death, in the possibility of a tenant's being repaid the cost of improvement works when he or she left a house, and in the right to have a written tenancy agreement.

Turning to the provisions relating to the private rented sector, Mr Younger said that the intention of short tenancies was to encourage landlords to make and keep available accommodation for letting to private tenants. Rejecting the view that the decline of the private rented sector was inevitable, he argued that it still had a 'vitally important role . . . to play in catering for the young and mobile, who normally regard it as a temporary expedient'. The shortage of such accommodation was a direct result of the present laws which meant that no one could let a house unless he knew that he would never need it himself.

On the conversion of the remaining controlled tenancies to rent regulation, Mr Younger said: 'I cannot see how the anomaly of running a fair rents system and a controlled rents system side by side can be justified; or the anomaly of preventing the progression to fair rent levels in some cases while thousands of other tenants are already paying fair rents'.

Concerning the provisions on the allocation of council housing, he argued that much of the dissatisfaction arose because the rules of allocation were not known; the Bill's requirement that these rules be published would ameliorate this. A further provision, which would prevent housing authorities from discriminating against applicants from outside the area, would help to encourage labour mobility, as well as giving council tenants the advantages of mobility already enjoyed by owner-occupiers.

The Secretary of State referred to the difficulty in Scotland of moving from being a tenant to an owner; this was due largely to the shortage of homes to buy in many areas. 'The only way to create a large pool of homes to buy, at prices that ordinary families can afford', he said, 'is to encourage public sector tenants who wish to do so to buy their homes instead of paying rent all their lives'. The terms on which tenants who had spent at least three years in the public sector could buy their homes would be at discounts of between 33 and 50 per cent, according to length of tenancy. Mortgages would be made available by local authorities to those who were genuinely unable to obtain the necessary finance from a building society; the Bill would also make it impossible in future for authorities to charge lower interest rates than building societies.

It was estimated, Mr Younger pointed out, that it would require the sale of 200,000 public sector homes to achieve even 45 per cent home ownership in Scotland, compared with an existing figure of 56 per cent in England. The right to buy was, he said, 'a radical step, but I believe it is necessary if we in Scotland are to move toward a more balanced society in our towns and cities'.

Opposition View

Mr Bruce Millan, Opposition spokesman for Scotland, accepted the provisions on the tenants' charter, although he disagreed with the provision that under-occupation be a ground for repossession of a house. The Opposition, however, was totally opposed to the Bill's provision for the sale of council houses, which, Mr Millan said, 'denies local authorities the right to manage their own housing stocks'. The Opposition was not against the sale of council houses in Scotland in principle, but believed that authorities should submit their proposals within the context of their general housing plans. The discounts to be offered on the market price were, in Mr Millan's view, too generous, and he considered that the proposed option to buy in two years' time at the original price was 'outrageous'.

Prestel

A trial international Prestel service for businessmen is to be conducted by the British Post Office during 1980. This is one of several developments in Prestel which, invented by the Post Office, is the world's first public

viewdata service; it enables information stored in computerised databases to be transmitted along telephone lines for display on a standard television screen in the form of words, figures and simple graphics. Logica, a communications and computer consultancy agency, has been commissioned by the Post Office to establish the arrangements for the operation of the market trial. Further developments of this system, both in Britain and in other countries, are under way.

The international trial will take place in Britain, Australia, the Federal Republic of Germany, the Netherlands, Sweden, Switzerland, and the United States. This follows the introduction of the British service in London in 1979 (see pp 124–5, 1979). The information available in the international trial service will be specially designed to be of interest to users whose work involves international travel or contact with foreign businesses and will include: prices in the major stock markets, currency exchange rates, travel details, and political and economic data on various countries, as well as specialist information such as commodity prices, economic indicators and analyses and company information. More general information about major international developments and forthcoming trade and business events will also be available.

The database for the international trial is to be maintained in Britain and the Post Office plans to bring the computer into operation by the end of February. (The computer will be separate from those being used to provide Britain's domestic Prestel service.) For some users the Post Office will rebate a proportion of the telecommunications costs for the duration of the trial. Logica will provide support services to participants in the trial and co-ordinate the maintenance activities of the Prestel set suppliers and the telecommunications authorities, as well as advise on the selection of suitable applications of the service and on their design and development.

Most of the countries taking part in the trial have now been supplied with the equipment needed to receive Prestel and work is in progress to complete the technical arrangements.

Prestel Developments

It is planned that, in addition to the London service, Prestel will be available by the end of 1980 to telephone subscribers with suitable television sets in Birmingham, Manchester, Nottingham, Liverpool, Edinburgh and Glasgow, as well as a number of other cities. Some 60 per cent of the British population should then be within a local telephone call distance of a Prestel computer centre; additional centres should increase this figure to 95 per cent of the population by 1986. During 1980 the Post Office will begin a further investment programme of £2·5 million to double the storage capacity of the computers.

A new technical development has made it possible for Prestel to operate in several languages. It can now show all the European variants of the basic Roman alphabet, and Cyrillic and Arabic characters have also been demonstrated.

Overseas sales

Prestel is thought to be about two years in advance of any similar system and other countries have purchased the Post Office's expertise to help to produce their own viewdata services. Sales are made in three forms: pilot trial (basically a working model); market trial; and the public service (such as that now being operated by the Post Office). Switzerland's Posts and Telecommunications authority has bought the pilot trial software, while those of the Federal Republic of Germany and the Netherlands have bought versions of the market trial software. Hong Kong has bought the more complex public service system. In conjunction with the United States company General Telephone and Electronics, Insac Viewdata (part of a company set up to market British software and hardware in overseas countries) announced recently that more than 20 American corporations were to instal private Prestel information systems.

Insac Viewdata has subsequently changed its name to Aregon International Ltd and has launched a new international viewdata system of which three have already been sold to companies in Belgium, Switzerland and New Zealand. The system is known as IVS-3 and is designed as an information store for companies; it can also be used as a message transmission device within the company. The software for the system was developed by the viewdata division of Systems Designers of Camberley, which will market IVS-3 in Britain.

Shorter Notes

REPORT ON THE ENGINEERING PROFESSION

Three main changes were needed to improve the role of the engineer in British society, thereby improving the chances of attaining industrial growth, said Sir Monty Finniston, chairman of the Committee of Inquiry into the Engineering Profession, on publication of its report[1] on 9 January. These were: the more efficient deployment of engineers' skills by bringing them into decision-making within companies; the attraction, recruitment, education and training of a large enough number of new engineers; and the encouragement of engineers to aim for the top levels of industry and the community.

The report proposes the setting up of a statutory Engineering Authority to follow up its recommendations concerning the education, qualification and registration of engineers and to play an important role in influencing the policies to be pursued by employers, Government and all other groups concerned with engineers and engineering. It considers the impact of the professional engineering institutions (which originally grew up as 'learned societies') in these regards to have been

[1] *Engineering Our Future. Report of the Committee of Inquiry into the Engineering Profession* (chairman: Sir Monty Finniston). Cmnd 7794. HMSO, £5. ISBN 0 11 177940 2. The committee was appointed and first met in December 1977, following the appointment of Sir Monty as its chairman in July 1977 (see p 288, 1977).

constrained by their lack of authority or any mandate to establish national standards and machinery acknowledged as relevant and as having sufficient prestige by society in general and by employers in particular.

The Authority would supply the machinery through which a partnership of employers, practising engineers and academics would be able to work out the detailed elements of an educational and training preparation for an engineering career, oversee in British society the 'engineering dimension' (defined as embracing all those factors and activities which contribute to the technological capabilities and expertise of an enterprise, large or small, and relating them to its strategic and market objectives) and supply the 'voice' of engineering in public policy-making. It should consist of between 15 and 20 members who would be appointed by the Secretary of State for Industry and, although at first funded directly by the Government at an estimated annual cost of about £10 million, should remain at arm's length from the Government so that it could establish its own identity and develop its standing and authority in the eyes of engineers, employers and the public at large.

The Authority would promote the use of a new register of qualified engineers and urge employers to employ registered engineers rather than unregistered ones; it would also activate employers into a conscious effort to make better use of the engineers in their companies by means of such devices as manpower audits, and urge them to improve salary structures and career prospects for their engineers.

The report emphasises that the main impact of its proposals would have to be carried by industry if they were to succeed in their ultimate aim, which was to help in regenerating British manufacturing industry. The most important recommendations directed to employers in the report are: to recognise the importance of relating engineering capabilities to clearly-defined market needs; to ensure that they make full use of engineering expertise in the whole range of their activities; and to recognise and act on the onus upon them to play a leading part in attracting and developing a continuing flow of new blood into the 'engineering dimension'.

Government, employers and trade unions should, in the committee's view, work together to establish a major national programme of training and re-training of employees of all ages and at all levels to develop the skills and support needed to implement and sustain new technologies, and integrate them with the innovation process. Companies, especially small enterprises, should ensure that they were making sufficient use of available engineering information and consultancy services and of the various schemes to help them to gain access to such services. The machinery of the National Economic Development Council should also be re-orientated and modified to make sure that Government, manufacturing companies and trade unions exchanged more useful information about the impact of changes in technology and market demand and the most beneficial ways of responding to them.

On the education and training of engineers, the report recommends that these be based firmly in a context of economic purpose, and that the establishment of an engineering preparation be seen as something to be sought after by a high proportion of Britain's most able young people. The many schools/industry schemes (see pp 264-5, 1978) should be built upon with the aim of involving every school and every company in at least one such scheme. At the higher level, the committee advocates the setting up of two new engineering degrees followed by periods of structured experience in industry.

The report contains other recommendations concerning the education and training of engineers, their continuing development, and the organisation of the engineering profession.

Welcoming the publication of the report, the Secretary of State for Industry, Sir Keith Joseph, said that its recommendations required careful consideration and the Government would be carrying out consultations on a wide front. It was hoped that an initial response from the Government would be forthcoming in the spring of 1980.

EFFECTS OF TAXES AND BENEFITS ON HOUSEHOLD INCOME 1978

A report in the January issue of *Economic Trends* (HMSO, £5·40; ISBN 0 11 726019 3) gives details of household income in 1978, both the original amounts and those after allowance has been made for the effects of taxes and benefits. The main source of data is the Family Expenditure Survey (see p 390, 1979).

The average original income of the top 20 per cent of households in 1978 was £10,640,[1] which accounted for 44 per cent of total original income. The average for the lowest 20 per cent was £240, which was 1 per cent of the total. (About three-quarters of all households in the lowest 20 per cent were retired.) Their respective average disposable incomes were £8,520 and £1,710, which were 37 per cent and 8 per cent of total disposable income. The differences between original and disposable income arose because the top 20 per cent paid an average of £2,380 in direct taxes (income tax and national insurance) and received £260 in cash benefits while the lowest 20 per cent paid an average of £10 in direct taxes and received £1,470 in cash benefits.

Subsidies (for housing, food and rail travel) were on average £80 for the highest group and £210 for the lowest group; indirect taxes (including value added tax, excise duties and local authority rates) amounted on average to £1,580 and £340. Direct benefits in kind (mainly education and health benefits), which are related more to the size of households and the ages of their members than to incomes, were on average £820 for the top 20 per cent and £480 for the lowest 20 per cent. (The top 20 per cent of households by average original income contained 26 per cent

[1]All money figures are rounded to the nearest £10, which accounts for any discrepancy between the sums of the component parts and totals.

of the population while the lowest 20 per cent contained only 13 per cent of the population.)

The addition of subsidies and direct benefits in kind and the subtraction of indirect taxes gives final income. This averaged £7,840 for the highest group and £2,050 for the lowest, amounting to 36 per cent and 9 per cent, respectively, of total final income.

The share of both original and final income of the two groups showed hardly any change between 1973 and 1978. This was despite considerable changes in government spending and taxes during this period. For example, between 1973 and 1975 there occurred a shift in emphasis in the government's taxation policy towards direct taxes, with their share of original average household income plus cash benefits rising from 16 per cent to 20 per cent. The proportion fell back to 17 per cent in 1978. Cash benefits rose appreciably faster than household incomes, increasing from 10 per cent of original average income plus cash benefits in 1973 to 12 per cent in 1978. Subsidies also rose faster than incomes, particularly between 1973 and 1975, as did benefits in kind, though to a lesser extent.

There are two main reasons for the stability in the distribution of final income. First, the distribution of original income, which is a major determinant of final income, itself changed little over the period. Secondly, the effects of the changes in the redistributive components, such as cash benefits, often offset one another. However, without the system of taxes, benefits and subsidies the distribution of income would have been more unequal than it was.

FOREIGN LEASING

A consultative document[1] on foreign leasing was published in January by the Inland Revenue, which invited comments by 15 February. This followed the announcement of the Chancellor of the Exchequer, Sir Geoffrey Howe, at the time of the removal of exchange controls in October 1979 (see p 338, 1979), that retrospective provisions would be introduced in the 1980 Finance Bill to replace the arrangements, previously operated through exchange control, which prevented British tax incentives from being used to support the leasing abroad of foreign equipment.

At present, expenditure on plant and equipment acquired for leasing by leasing companies resident in Britain is usually entitled to complete tax relief in the year in which it is incurred (the 100 per cent first-year allowance on capital investment (see p 164, 1972)). This ensures that the lease rental charges of these companies are lower than they would otherwise be. When the present system of capital allowances was introduced in 1971 the Government of the time was concerned to ensure that these allowances should not, through British-based leasing arrangements, be used to acquire foreign equipment which would then be leased to overseas companies. It therefore announced in 1971 that exchange control consent would not be given for such transactions. This was later modified so that, subject to other conditions being satisfied, consent was given provided that the leasing company limited its claim to capital allowances in the first year to 25 per cent (instead of 100 per cent).

The proposed legislation, on which the Inland Revenue will be consulting with those principally concerned, will provide that expenditure on foreign assets for leasing to non-residents will qualify for tax relief at 25 per cent in the first year; in each subsequent year 25 per cent of the reducing balance will be written off.

The proposals apply only to financial leases, that is leases under which substantially the whole economic interest in the asset is transferred to the lessee. The short-term leasing or hiring of equipment to overseas customers is not affected.

[1] *'Foreign to Foreign' Leasing: a Consultative Document Issued by the Inland Revenue.*

DOCUMENTATION

Government and Administration

Report on Non-Departmental Public Bodies (see p 48). Cmnd 7797. HMSO, £5·75. ISBN 0 10 177970 4.

Annual Abstract of Statistics 1980. Central Statistical Office. HMSO, £11·90. ISBN 0 11 630768 4.

Exchange of notes between [Britain and France] concerning the Granting of Independence to the New Hebrides. Cmnd 7808. HMSO, £2·50. ISBN 0 10 178080 X.

Exchange of notes between [Britain and France] concerning the Establishment of a Representative Assembly for the New Hebrides. Cmnd 7777. HMSO, 20p. ISBN 0 10 177770 1.

Exchange of notes between [Britain and France] concerning the Establishment of Regions in the New Hebrides. Cmnd 7817. HMSO, 50p. ISBN 0 10 178170 9.

Southern Rhodesia. Report of the Constitutional Conference, Lancaster House, London, September-December 1979. Cmnd 7802. HMSO, £2·75. ISBN 0 10 178020 6.

Belize. COI No 10/FS/80.

External Affairs and Defence

Vienna Convention on Succession of States in respect of Treaties [Britain has not signed the Convention]. Cmnd 7660. HMSO, £1. ISBN 0 10 177600 4.

Agreement . . . concerning Nuclear Transfers between the United Kingdom and Australia. Cmnd 7768. HMSO, 70p. ISBN 0 10 177680 2.

Economic and Scientific Affairs

Customs and Excise. Seventieth report of the Commissioners for the year ended 31 March 1979. The report shows that over the year receipts rose by over 12 per cent, to reach £13,780 million. Four taxes and duties accounted for 88 per cent of total receipts: value added tax yielded £4,838 million (35 per cent of the total) while the duties on hydrocarbon oils, tobacco and alcoholic drink were each about £2,400 million (17-18 per cent of the total in each case). Customs and Excise receipts represented over 35 per cent of all central government taxation. The cost of administration was £220 million, representing 1·59 pence for every £1 of net revenue. Cmnd 7807. HMSO, £5·25. ISBN 0 10 178070 2.

The Construction Industry Tax Deduction Scheme: a Consultative Document. This paper discusses a number of possible changes in the tax deduction scheme for the construction industry. One would relax the present rule which requires an applicant for a sub-contractor's certificate to have been employed or self-employed in Britain continuously for the three years immediately preceding the application. The paper discusses how the scheme could be changed to help those who, through unemployment or sickness during the three-year period, have been unable to obtain a certificate. Comments on the matters discussed in the paper are invited by 7 March. Available free from the Inland Revenue, Somerset House, London WC2R 1LB.

'Foreign to Foreign' Leasing: a Consultative Document Issued by the Inland Revenue (see p 62). Available free from the Inland Revenue, Somerset House, London WC2R 1LB.

The UK's earnings from invisible exports. This occasional paper, published by the British Overseas Trade Board (BOTB) was prepared by the Committee on Invisible Exports. It states that Britain's invisible earnings from the private sector have, for over 200 years, produced an annual surplus, running at about £5,000 million in 1978. Invisibles account for nearly one-third of Britain's foreign earnings and net invisible receipts are the second highest in the world (behind those of the United States). Available free from the BOTB, Publications Sales Unit, Export House, 50 Ludgate Hill, London EC4M 7HU.

The UK's performance in export markets – some evidence from international trade data. By D. Connell. Discussion paper 6. National Economic Development Office. £2·50. ISBN 0 7292 0351 4.

The Manpower Implications of Micro-Electronic Technology. A report by J. Sleigh, B. Boatwright, P. Irwin and R. Stanyon. Department of Employment. HMSO, £3·50. ISBN 0 11 361191 9.

Health and Safety Executive. Cotton and Allied Fibres: Health and Safety 1971-1977. HMSO, £1. ISBN 0 11 883291 3.

Health and Safety Executive. Wool Textiles: Health and Safety 1971-1977. HMSO, £1. ISBN 0 11 883290 5.

Nuclear Establishments 1977-78. Report on health and safety in nuclear establishments in 1977 and 1978. Health and Safety Executive. HMSO, £1·25. ISBN 0 11 883289 1.

United Kingdom Dairy Facts and Figures 1979. The Federation of United Kingdom Milk Marketing Boards. Available from Cashiers Division, Milk Marketing Board, Thames Ditton, Surrey KT7 0EL. £2·50.

Electricity Supply. COI, No 20/FSI/80.

Transport and Road Research 1978. Annual Report of the Transport and Road Research Laboratory. Departments of the Environment and Transport. HMSO, £4·25. ISBN 0 11 550402 8.

Computer-Aided Design and Manufacture. Cabinet Office Advisory Council for Applied Research and Development. HMSO, £2·25. ISBN 0 11 630814 7.

Ministry of Agriculture, Fisheries and Food Annual Report on Research and Development 1978. HMSO, £4·50. ISBN 0 11 241143 6.

Computer Board for Universities and Research Councils. Report for the period 1 April 1977 to 31 March 1979. Cmnd 7745. HMSO, £1·25. ISBN 0 10 177450 8.

Report on Research and Development 1978. Describes the research work of the Department of the Environment and the Department of Transport in 1977-78. HMSO, £3·75. ISBN 0 11 751434 9.

Social and Cultural Affairs

Rabies Prevention and Control. The Risk to Great Britain from Rabies. Government Policy. Ministry of Agriculture, Fisheries and Food; Department of Agriculture and Fisheries for Scotland; Welsh Office Agriculture Department. This booklet sets out details of the policy and measures aimed at prevention and control of rabies in England, Scotland and Wales. Available free from the Ministry of Agriculture, Fisheries and Food, Government Buildings, Tolcarne Drive, Pinner, Middlesex HA5 2DT. (For a brief outline of the subject, see COI fact sheet *Prevention of Rabies.* No 37/FSB/80; available also in Arabic, Dutch, French, German and Italian.)

Patients First. A consultative paper on the structure and management of the National Health Service in England and Wales. This follows the Report of the Royal Commission on the NHS published in July 1979 (see pp 248-51, 1979) and proposes changes to simplify and decentralise the NHS and to cut back bureaucracy, thus placing responsibility for decision-making as close to the patient as practicable. The Government hopes that when all changes have been implemented the cost of running the NHS might be reduced by 10 per cent. It is inviting comments on its proposals by 30 April 1980. HMSO, £1. ISBN 0 11 320720 4.

Mathematical Development. Primary Survey Report No 1. The first report of the Assessment of Performance Unit gives details of the performance in mathematics of eleven-year-olds in England and Wales following a national survey. HMSO, £5. ISBN 0 11 270499 9.

Appraisal of the Financial Effects of Council House Sales (see p 57). Department of the Environment, Scottish Development Department, Welsh Office. £1·20.

© *Crown Copyright 1980*

Printed in England by Brown Knight & Truscott Ltd
and Published by
HER MAJESTY'S STATIONERY OFFICE
90p net

Annual subscription including indices and postage £14.22

H2705 Dd 8034325 K8 FEBRUARY 1976
ISBN 0 11 721728 1 Vol. 10 No. 2
ISSN 0039—6214